

# APPENDIX C

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No.	FAC	Date	Where Made	Portion of Challenged Statement
7	¶138	4/17/08	1Q08 earnings press release	“[W]e expect to reach our target financial model of 30% gross margin, 10% operating expenses and 20% operating margin, on a non-GAAP basis, no later than the first quarter of 2009.”
9	¶140	4/17/08	1Q08 earnings conference call	“[L]ooking forward to the second quarter[,] we expect our first meaningful reduction in average silicon costs which will contribute our estimated 510 to 610 basis point improvement in our component segments gross margin.”
10	¶140	4/17/08	1Q08 earnings conference call	“and we expect continued improvements [in our systems segment margins] in 2009”
14	¶146	7/17/08	2Q08 earnings press release	“we expect our silicon supply costs to continue to decline”
15	¶147	7/17/08	2Q08 earnings press release	“[W]e are raising our guidance for the fiscal year 2008 and expect the following non-GAAP results: Total revenue of \$1.39 billion to \$1.44 billion and diluted net income per share of \$2.26 to \$2.36. We also expect our 2009 total revenue to be in of the range of \$2.0 billion to \$2.1 billion, production capacity of 450+ megawatts and non-GAAP diluted net income per share of at least \$3.50. Consistent with our practice of offering guidance for the current quarter, we expect third quarter 2008 non-GAAP total revenue of \$340 million to \$355 million, company non GAAP gross margin of 26.5% to 27.5% and non-GAAP diluted net income per share.”
19	¶156	10/16/08	3Q08 earnings press release	“expected gross margin expansion...we will materially meet our target operating model in the fourth quarter”
20	¶157	10/16/08	3Q08 earnings conference call	“[In] next year[’s] cost reduction[s,] we can hold 30% gross margins.”
21	¶157	10/16/08	3Q08 earnings conference call	“expected gross margin expansion...we expect to materially meet our target operating model in the fourth quarter”
22	¶157	10/16/08	3Q08 earnings conference call	“We are comfortable with 30% guidance of gross margin.”
24	¶171	2/26/09	FY08 Annual	“Throughout the ERP system stabilization period we

			Report	will continue to improve and enhance our system of internal control over financial reporting.”
25	¶175	4/23/09	1Q09 earnings press release	“[W]e see positive trends emerging...that give us confidence that we are well positioned for growth in the second half of 2009, 2010 and beyond.”
27	¶178	4/23/09	1Q09 earnings conference call	“And so we fully expect to absorb that inventory pretty rapidly in the first part of Q2.”
28	¶179	4/23/09	1Q09 earnings conference call	“And what we will do is moderate the amount of manufacturing we do based on inventory levels, which is driven by demand. So hopefully that is helpful. The answer is yes, we will lower inventory levels consistent with our expected build plan.”  “[W]e are comfortable that we can lower inventory consistent with our manufacturing plan, yes.”
29	¶185	7/23/09	2Q09 earnings press release	“we are well positioned for further growth in the second half of the year and 2010”
30	¶187	7/23/09	2Q09 earnings conference call	“As far as ASPs, our revenue range is modeled to incorporate decreases of up to 15% in the second half of the year. We expect to maintain or potentially improve our gross margins in the second half of the year, as we increase the capacity utilization in our fabs.”
31	¶195	10/22/09	3Q09 earnings conference call	“One time items will go away. So, look for on gross margins, similar to second quarter to slightly stronger.”